

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration
Washington, D. C.

July 23, 1942

ADMINISTRATOR'S MEMORANDUM NO. 20

Subject: The School Milk Program and Assignment of
Responsibilities Incident to its Operations

The School Milk program is a major undertaking by AMA in fulfillment of the objectives and philosophy of Section 32--an expanded milk market through increased milk consumption to assist in meeting the minimum milk requirements of school children. It is extremely important for:

- (a) Milk Producers--it provides an increased outlet for the sale of fluid milk.
- (b) Children--it makes an essential supply of milk available at a low cost.
- (c) The Community--it improves the health of its children.
- (d) Education--it strengthens the bodies and invigorates the minds of the pupils.
- (e) The Milk Market--it expands the consumption of milk through increased use of fluid milk in areas with inadequate distribution outlets.

The milk-drinking habit should be established in early childhood and maintained through school life in the interest of national health. The community profits from the School Milk program through the improved health and welfare of its citizens; and milk producers profit immediately through increased consumption, made possible through the School Milk program, and, for the future, by establishing the milk-drinking habit.

This program to increase milk consumption for the benefit of school children and producers in the communities was expanded during the past fiscal year and further expansion within the limits of funds available during the current fiscal year is desirable. The School Milk program should be extended to demonstrate its values to every type of community and condition. Previous expansion has been limited to large population centers. Although there is great need in these large centers, expansion for the future should be limited to smaller population centers in order to secure the widest possible coverage and to more equitably distribute available funds between regions and states and various-sized urban and rural centers. First consideration should be

given to small towns, villages, and small- to medium-sized cities. Rural schools--from one-room to consolidated--should also be included since the children attending such schools often receive much less than the minimum amount of milk required for physical strength and mental vigor.

The Old and the Amended Program

The old School Milk program has many technicalities: Bids were required, contracts were awarded, and findings of great complexity were necessary to certify a school as "low income". The second amendment recommended by the Administrator and approved by the Secretary on April 18, 1942, authorized the AMA to make diversion payments to non-profit schools and child welfare centers or to non-profit organizations sponsoring the program for milk distributed to children attending or visiting these schools or child welfare centers.

The new School Milk program will be based on a contract in which the sponsoring agency agrees to purchase milk for distribution to the children. The sponsoring agency will purchase milk meeting at least the local minimum health and sanitation requirements which prevail in the area in which the school or child welfare center is located, from any distributor or producer-distributor. The AMA agrees to pay a subsidy to the agency for the milk distributed in accordance with the agreement and will pay the sponsoring agency an amount equal to the price of non-processed milk in the area, f.o.b., city processing plant.

The children who can afford to, will pay the sponsoring agency not more than one cent per half pint. The sponsoring agency will defray all costs above those borne by the children to have the milk processed and distributed in accordance with the local prevailing minimum health and sanitation standards. The sponsoring agency will pay or arrange payment for milk furnished free to children who cannot afford to pay the one cent per half pint. No segregation or distinction shall be made between paying and non-paying recipients. There shall be no limitation on the amount of milk a child may purchase or receive.

It is not necessary to certify a school as "low income", but it is assumed that the sponsoring agency will give preference to schools or child welfare centers where parents have the lowest income. All non-profit schools and child welfare centers will be eligible for participation in the School Milk program.

The average milk consumption by children of school age is far below the minimum standards set by nutritionists. The School Milk program will contribute to and improve the health of children and, at the same time, will divert milk from low-price manufacturing and surplus uses to assure dairy farmers a better market and a fair price for their milk. Dairy farmers should receive fluid-use prices for milk, except where a special price is provided in the applicable regulation in markets under Federal or State milk control. It must be made

certain that milk processors do not charge as producers' price one level for school milk and pay producers at a lower level. The price must be established in each instance and reviewed from time to time because milk is marketed in many different ways.

Assignment of Responsibilities

The Chief of the Dairy and Poultry Branch, Chief of the Distribution Branch and the Regional Directors of the Distribution Branch are assigned responsibilities and delegated authority as follows:

A. Chief, Dairy and Poultry Branch.

1. He, or his representatives, as assigned, shall, independently or jointly, with the Chief, Distribution Branch, develop revised or new plans and submit recommendations for changes and improvements in the program, generally, relating to over-all objectives and policy, to the Administrator.
2. He shall be responsible for the decision to establish the program in areas subject to Federal milk regulation or about to become subject to such regulation. This decision shall be taken upon his own initiative, after consultation with the Chief, Distribution Branch, or upon recommendations by the Chief of the Distribution Branch. The Distribution Branch or the Regional offices shall advise Federal milk market administrators of the names of sponsoring agencies cooperating in the markets under Federal milk regulation. The Federal milk market administrators shall furnish to the sponsoring agencies lists of handlers who are not in compliance with the Federal milk orders, agreements, or licenses. No payments by the Agricultural Marketing Administration shall be made on milk purchased by sponsoring agencies from such noncomplying handlers, after sponsoring agencies are given an opportunity to terminate existing contracts with them.
3. He shall review periodic reports and analyses prepared and submitted by the Chief, Distribution Branch, to evaluate the operations of the programs from the standpoint of the Dairy and Poultry Branch and to determine and develop recommendations for revisions and improvement.

B. Chief, Distribution Branch.

1. He shall be responsible for the operation of the program. He shall develop plans and procedures for operation of the program in line with the policy determination of the Administrator.

2. He shall determine the general type of areas in which the program should be inaugurated.
3. He shall require the Regional Directors to obtain survey reports covering areas in which it is proposed the program will be established. Survey reports should contain essential data including the names and types of schools or child welfare centers, estimated number of children who are expected to participate, the period the program is to operate, the estimated AMA cost of the program, the price farmers receive for each class of milk in each area, the price farmers will receive for milk under the program, the price children will be charged, the arrangements for distribution of milk without cost to children unable to purchase milk, the estimated cost to the sponsoring group, information as to financial responsibility or source of funds of the sponsoring agency, and other essential data which may be necessary to afford a basis for intelligent consideration of the application.
4. He shall instruct the Regional Directors to designate in the name of the Administrator, those areas which qualify for the program within the limitations of this memorandum.
5. The Regional Director or his representative will be authorized to approve and execute contracts and agreements in the name of the Administrator for all areas, within the limitations of policies prescribed by the Administrator and outlined in this memorandum. A copy of the agreement or contract shall be furnished to the Audit Division and a report of the execution of agreements and contracts shall be furnished to the Chief, Distribution Branch, immediately upon execution by the Regional Director or his representative.
6. He may delegate authority to the Regional Director who may in turn re-delegate authority to his representatives to certify claims for payment. Claims for payment by sponsoring agents shall be submitted promptly to the Audit Division.

7. He shall be responsible for obtaining from the Regional Directors such adequate and regular reports as may be necessary to analyze and evaluate the operation of the program in terms of established policies and objectives.
8. He shall take necessary steps to notify the Administrator, Audit Division, and the Budget and Accounting Office of each delegation of authority to sign contracts and certify claims for payment under this program.

Summer Feeding Programs

It is understood that in negotiating contracts for the so-called Summer Feeding programs, some of which are now in operation, an expression of operating policy had to be made by the Chief of Distribution Branch to the field prior to the date of this memorandum.

The Administrator concurs with such expression of policy to the following extent:

1. Summer feeding programs involving penny milk distribution on the new AMA-School Sponsor contract basis in areas designated for this program in the fiscal year 1942, or for which contracts are presently in effect, may be continued to September 15, 1942. However, if sponsors desire, consideration will be given by the Administrator's office to continuing the program through the school season, provided Regional Directors' requests for such continuance are made in accordance with instructions as to survey and designation outlined in this memorandum, and the areas and operating conditions come within the policy limitations stated herein.
2. Summer feeding programs involving low-cost milk distribution on the old AMA-Distributor and AMA-School Sponsors contract basis in areas designated in the fiscal year 1942, or for which contracts are presently in effect, may be continued to September 15, 1942, or such other date as may be determined by the Administrator. No additional old-type programs will be authorized.


Administrator

